

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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August 31, 2005

TO: Each Supervisor

FROM: Bryce Yokomizo, Director

SUBJECT: REPORT ON CASH ACCESSIBILITY WITH ELECTRONIC BENEFIT TRANSFER (EBT)

I am pleased to report to your Board on the continued success of Electronic Benefit Transfer (EBT) in Los Angeles County. As you know, we eliminated the issuance of checks to cash assistance program participants with the implementation of EBT, a statewide system. By using EBT, participants can access their benefits via a magnetic stripe card, similar to bank debit cards, at participating retailer point of sales terminals and automated teller machines.

In May 2003, your Board approved pilot implementation of EBT because there was sufficient cash access for 94% of the County's 263 zip codes. To ensure maximum access for the County's residents, you asked the Department to have 100% cash access in each zip code (with more than 400 cash program participants) prior to countywide implementation. In September 2003, with the help of the State and its EBT contractor, Los Angeles County achieved the 100% cash access in all zip codes with caseloads greater than 400. EBT was implemented Countywide in early 2004.

The accessibility of cash with EBT in Los Angeles County continues to increase. Out of the County's 278 total zip codes, there are now only two zip codes with less than 100% cash access. Both zip codes, Whittier 90608 and Crystal Lake 93544, have caseloads that are fewer than 40. In addition:

- There are 2,043 surcharge-free locations now available.
- There are 4,876 locations with surcharges where participants can get cash (in the amount of \$200 or greater).
- There are 6,919 locations where participants can get their cash. Beyond that, there are other retailers such as WalMart and K-Mart that are not included where participants can get less than \$200.

Using EBT greatly improved the service delivery of benefits to both our cash aid and Food Stamp program participants. For Food Stamp participants, EBT eliminated the use of Food Stamp coupons and removed the stigma associated with using the coupons. EBT has also improved program integrity, reducing the incidence of Food Stamp fraud. Beyond improved service delivery and program integrity, EBT has been cost-effective, as well. Implementation of a Statewide system, as opposed to the continued operation of an independent issuance system, will result in estimated administrative savings of more than \$40 million during the first seven years of EBT.

Overall, EBT is a win-win for all! We will continue to update your Board annually on the continued cash access availability.

BY:fw

c: Executive Officer, Board of Supervisors
 Chief Administrative Officer
 Auditor-Controller
 County Counsel